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Chief, Medical Services

10 July 1951

Deputy Comptroller

Contracts for Personal Services under Approved Medical
Office Projects

1. It is regretted that your office has never been issued any formal procedural instructions for the processing of contracts for the services of individuals. The major reason is that for many months it has been hoped that a standard Agency procedure would be developed. Before this can be done, however, it is necessary to develop basic Agency policies and principles governing its contractual relationships. This problem has been under continuous study by a special Task Force and is nearing fruition.

2. In the meantime, the Special Contracting Officer has developed individual procedures with each of the Covert Offices which differ somewhat due to differences in organizational structure and operational concepts. Other offices, such as yours, have been handled on an individual project basis due to the specialized nature of your contractual requirements.

3. There are, however, certain basic requirements which the Contracting Officer needs in the fulfillment of his responsibilities. They are as follows:

a. Knowledge of the approved project under which the engagement of the individuals was authorized, and the necessary funds were allocated.

b. Concurrence between the office concerned, the General Counsel's Office and the Special Contracting Officer that the terms of the proposed contract are suitable to the circumstances, are consistent with the approved project and are otherwise in conformity with Agency policies and procedures.

c. Knowledge that appropriate security clearance has been issued.

d. Approval of the individual contract by the Chief of the Office concerned.

e. Acceptance of the contract by the individual concerned.

f. Knowledge that an official acknowledgment of pseudonym has been executed and is on file. (This is appropriate only when contract is in pseudonym.)

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4. The above requirements involve the submission of considerable information to the Office of the General Counsel and the Contracting Officer. This can be done either by memorandum or by filling out appropriate sections of a form devised for use in conjunction with one of the covert offices. A supply of these forms is enclosed herewith.

5. In the meantime, I am returning a group of contracts with certain medical specialists with a request that they be returned with a covering memorandum setting forth the following:

- a. A general statement of the principles determining the amount of "retainer" fee paid, if any.
- b. A statement of the type and date of security clearance issued for each individual.
- c. Indication of the project under which the contracts were negotiated.

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Deputy Comptroller

Enclosures - 11

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cc - General Counsel 
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